



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0356	<b>Title:</b>	Licensure for manufactured housing dealers
<b>Primary Sponsor:</b>	Zinke, Ryan	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$47,790	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$1,500	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$46,290)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### Description of fiscal impact:

The fiscal impact of programming and rule-making authority expenditures due to SB 356 will not be offset by the slight increase in revenue, and therefore will result in a negative impact on the general fund.

SB 356 is one of several bill drafts that seek to modify motor vehicle laws and therefore the motor vehicle licensing system (MERLIN). The fiscal note for each bill will be prepared based on the effect of the individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may provide opportunities to share or redistribute costs.

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Justice**

##### Motor Vehicle Division (MVD):

1. SB 356 allows for a one-time fee for dealers upon registration of \$50, which would be deposited into the general fund.
2. It is estimated that 30 dealers would apply for this dealer license, resulting in revenues of \$1,500 in FY 2010 [\$50 license fee x 30 dealers = \$1,500].

3. MVD anticipates a negligible cost of the forms related to compliance of statute.
4. SB 356 allows for rulemaking authority for the department, therefore there will be a one-time expense of \$750 in FY 2010.

Justice Information Technology Services Division (JITSD):

5. Programming to the Montana Enhanced Registration and Licensing Information Network (MERLIN) will be required to add the new dealer license type, fee calculations, and revenue distribution.
6. The programming necessary to implement SB 356 will be contracted by JITSD to the MERLIN contractor.
  - a. The contractor will have to gather, confirm, and analyze system requirements.
  - b. Configuration will be required for the dealer license and the requirements for issuance, renewal, expiration, termination, and privileges.
  - c. It will be necessary to identify unknown code dependencies.
  - d. The credential will not require modification.
  - e. Unit test, system test, integration testing along with deployment and management support will be required.
7. The cost of the above system configuration and testing by the contractor will be approximately \$47,040.

	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>	<b><u>FY 2012</u></b> <b><u>Difference</u></b>	<b><u>FY 2013</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Department of Justice</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$47,790	\$0	\$0	\$0
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$47,790	\$0	\$0	\$0
<b><u>Revenues:</u></b>				
General Fund (01)	\$1,500	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$46,290)	\$0	\$0	\$0

**Technical Notes:**

1. A manufactured home is not “registered” as stated on page 1, line 12 of Senate Bill 256, but is “titled” in the State of Montana.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*